

1 insurance that were noted in that docket, Verizon
2 is either asking for levels that were noted there
3 as appropriate amounts, or less than that. And
4 that's something we could put in our brief.

5 In answer to your question, I don't know
6 we specifically ourselves have gone out. I don't
7 have any specific knowledge of that, but I know in
8 that docket they were looked at and numbers were at
9 or below those numbers.

10 MR. FIRSCHEIN: I want to confirm about
11 what you spoke about earlier that the insurance
12 requirement would only pertain to co-location. Is
13 that what you said earlier?

14 MR. ANTONIOU: I don't believe I said
15 that. I said that particularly in the context of
16 co-location there could be a need for it, and I
17 think the context in which insurance was looked at
18 by the FCC a number of years ago was in
19 co-location. And thus any carrier at the very
20 minimum that has any co-location in a state, I
21 think this would apply, and I believe with all of
22 the petitioners there is more than a little

1 co-location.

2 MR. FIRSCHEIN: Do you have a co-location
3 tariff?

4 MR. ANTONIOU: In Virginia we do and most
5 other states.

6 MR. FIRSCHEIN: Do you know if this issue
7 is discussed in the co-location tariff?

8 MR. ANTONIOU: I don't know.

9 MR. FIRSCHEIN: But is it possible that
10 the insurance provision--that maybe in the
11 co-location tariff might make this provision in the
12 agreement irrelevant?

13 MR. ANTONIOU: That is possible.

14 MR. FIRSCHEIN: All right. I think that's
15 all. If you could just look into that and
16 obviously include some indication in your
17 posthearing briefs, I would appreciate it.

18 MR. DYGERT: That brings us to the
19 right-of-way issues III-13 and III-13(H). Is there
20 party cross on these issues?

21 MS. KELLEY: We waived cross on these
22 issues.

1 (Discussion off the record.)

2 MR. DYGERT: We have one cleanup with 429
3 on definitions.

4 MR. FIRSCHEIN: This is not so much a
5 question as it is a request, although there are
6 some definitions with which both of you agree on
7 the definition and some number on which you don't,
8 and unfortunately we don't have that in front of
9 us. I would really prefer, which I think would
10 really help us, if we actually had a list of those
11 definitions which are disputed, and if you can
12 actually somehow put together a list so that each
13 of your proposed definitions are next to each
14 other, possibly the best way to do that is within
15 the revised JDPL, that would, I think, enhance our
16 ability to reach a decision on those issues. What
17 you had done in previous versions of the JDPL is
18 referred us to various attachments, which makes it
19 very difficult to compare the two versions.

20 MS. KELLEY: I believe that we are in the
21 process of trying to come up with a list of
22 definitions that we think are not or would not

1 reasonably be in dispute, and we will make sure
2 that any on which we agreed will reference that.

3 MR. DYGERT: And more importantly, the
4 ones that are under dispute--

5 MS. KELLEY: We will make clear which ones
6 are and which ones are not in dispute.

7 MR. FIRSCHEIN: So they are easy to
8 cross-reference with each other.

9 MR. DYGERT: All right.

10 (Discussion off the record.)

11 MR. YOUNG: This is Alan Young from
12 Verizon.

13 MS. CARSON: This is Lynn Carson from
14 WorldCom.

15 Whereupon,

16 ALAN YOUNG

17 LYNN CARSON

18 were called for examination by the Commission and,
19 after having been duly sworn by the notary public,
20 were examined and testified as follows:

21 QUESTIONS FROM STAFF

22 MR. KEHOE: This is William Kehoe from the

1 FCC. I have no questions on issue III-13, but on
2 issue III-13(H) concerning rights-of-way I have a
3 few questions.

4 And my first, I guess, is for Mr. Young.

5 MR. YOUNG: Okay.

6 MR. KEHOE: Would you agree that WorldCom
7 is entitled to know what make-ready work Verizon is
8 performing for WorldCom, where it's being
9 performed, and if there are any other companies
10 involved with that fact? Would you agree with
11 that?

12 MR. YOUNG: Yes, I agree with that.

13 MR. KEHOE: And I take it from your
14 testimony that you claim Verizon--WorldCom is able
15 to get that information. Where would it be able to
16 get that information?

17 MR. YOUNG: They can get that information
18 and some of it is given to them when they are
19 provided with the make-ready estimate cost.

20 MR. KEHOE: Is it given to them orally or
21 in writing?

22 MR. YOUNG: Most of the means now is done

1 via e-mail. So, the person who requested it.

2 MR. KEHOE: So, it would be written?

3 MR. YOUNG: Yes.

4 MR. KEHOE: And that e-mail would state
5 what work is being done?

6 MR. YOUNG: Correct.

7 MR. KEHOE: What level--strike that--where
8 it's being performed, and whether there were any
9 other companies that the work would benefit; is
10 that correct?

11 MR. YOUNG: Yes, it would state that.

12 MR. KEHOE: Ms. Carson, why is that
13 information not sufficient for WorldCom?

14 MS. CARSON: If that is the process that
15 is used by Verizon today, that would be sufficient.
16 In the past, all we have gotten is an invoice with
17 very little information which you have seen
18 attached to my direct testimony. If they have
19 changed their practice and are providing the
20 detailed information that Mr. Young indicated they
21 are, that would be fine.

22 MR. YOUNG: I just need to make sure you

1 understand that that detailed information does not
2 come out on that final bill, okay? It is in the
3 make-ready proposal.

4 MS. CARSON: That would be fine.

5 MR. KEHOE: So, I think there is agreement
6 there generically.

7 I guess you people can work on contract
8 language and maybe resolve this part of the issue?

9 MS. FAGLIONI: Yes.

10 MR. YOUNG: It's not in our license
11 agreement per se, other than we provide them the
12 estimate of make-ready work.

13 MS. CARSON: And I have proposed language,
14 or MCI WorldCom has proposed language which we
15 provided to Verizon in August for them to comment
16 on that was part of my direct testimony.

17 MR. KEHOE: Thank you.

18 I would like now to turn to the other
19 issue of whether Verizon would employ a contractor
20 selected by WorldCom. My first questions are for
21 Ms. Carson.

22 Are you concerned about the costs of

1 make-ready work as well as the delay that might be
2 occasioned by it? Do you have both of those
3 concerns?

4 MS. CARSON: We have both of those
5 concerns. If I had to choose one or the other, I
6 would say that the main concern would be the
7 timing.

8 MR. KEHOE: And in your proposed contract
9 language you referred to on the Joint Decision
10 Point List, and this is for WorldCom also, you
11 referred to a material decrease in costs. What
12 would that be, in your view?

13 MS. CARSON: Well, if we were able to
14 bring in a contractor that was acceptable to
15 Verizon to do this work, and the cost was, say,
16 25 percent less than the cost that Verizon had
17 provided to us, we would consider that a
18 material--a material cost differential.

19 MR. KEHOE: And Mr. Young, would--what
20 would be wrong with saving 25 percent of the cost?

21 MR. YOUNG: The issue here is that Verizon
22 does not permit contractors working for other

1 companies to do their make-ready work.

2 MR. KEHOE: As I read the contract
3 language, the contractor would actually be working
4 for Verizon, and Verizon in effect would have a
5 veto over the contractor. Those two things were
6 facts where you would have a problem with saving
7 25 percent in cost?

8 MR. YOUNG: I don't have a problem saving
9 25 percent in cost if it's a contractor approved by
10 Verizon and working for Verizon. We can't have
11 them working for WorldCom doing our make-ready
12 work.

13 MR. KEHOE: So, let me see if I understand
14 you correctly. If WorldCom were to select a
15 contractor subject to Verizon's veto and the costs
16 would be 25 percent less than the originally
17 selected contractor would charge, you would be okay
18 with that? And the contractor would be working for
19 Verizon at that point, subject to Verizon's
20 supervision.

21 MR. YOUNG: It would have to be subject to
22 our supervision, yes.

1 MR. KEHOE: Would that be okay with
2 WorldCom?

3 MS. CARSON: That would be acceptable.

4 MR. KEHOE: Now I would like to go to what
5 would be a material decrease in the time it would
6 take to do make-ready work.

7 Ms. Carson, what would your definition of
8 a material decrease in time be?

9 MS. CARSON: I think this is a more
10 difficult issue because each make-ready project is
11 different. If Verizon told us it was going to take
12 30 days to do the make-ready work on any project, I
13 think we would find that quite acceptable. If we
14 had a bigger project that they told us was going to
15 take a year, and we found a contractor that they
16 approved and that would be supervised by them, and
17 their contractor told us it would take three
18 months, for example, I think that would certainly
19 be a much more acceptable situation for us to be
20 in.

21 One of the problems we have had is the
22 time frames for projects that we think should take,

1 for example, three months and they have told us
2 nine months to a year.

3 So, I do think that it differs from
4 project to project. If the differential is, say,
5 five days, well, that's negligible. If it's months
6 or weeks, I think that that's significant.

7 MR. KEHOE: Mr. Young, would you have a
8 decrease that you would consider material?

9 MR. YOUNG: I can't agree to this, okay?
10 We schedule all CLECs not only just MCI's or
11 WorldCom. We schedule all of our CLECs and cable
12 TV companies and our own similar type work on a
13 first-come-first-serve basis, okay? I can't have
14 WorldCom going out and finding contractors to take
15 away a job to get it done faster and essentially
16 pushing that in front of someone else who may not
17 have that ability.

18 We have not seen anything from WorldCom
19 proving that one reason we delayed them in anything
20 recently. So, I can't agree to that. We must
21 schedule these jobs with all the rest of them on a
22 first-come-first-serve basis and use the

1 contractors that are available to us in the area.
2 And as I had stated in my testimony, there is only
3 just so many contractors in the area that do work.
4 I don't know where they're going to find someone.

5 MR. KEHOE: Ms. Carson, would you
6 have--would you be able--what would you be able to
7 offer Verizon that might assure it that other work
8 wasn't being delayed by the contractor who you
9 selected to perform a particular piece of work?

10 MS. CARSON: Well, if we choose a
11 contractor and Verizon approves it and we are
12 working in Richmond, Virginia, for example, and
13 they have projects that are scheduled in Ashland
14 that we have found another contractor that they
15 find acceptable, it should be irrelevant when that
16 work gets scheduled because the contractor would be
17 supervised by Verizon. We would not be pushing
18 ahead, if you will, because we are using a
19 contract--a different contractor than they would be
20 using for the other projects, and I think it's
21 really just a matter of them scheduling.

22 On the one hand they said we could find a

1 contractor, and it was approved by them and
2 supervised by them that would be fine, but then on
3 the other hand I hear them saying now that that is
4 not going to work because we would be jumping ahead
5 of somebody, and they don't know where we would
6 find a contractor.

7 To the extent that we find one that is
8 familiar with the type of work that needs to be
9 done and meets their other criteria, I don't see
10 why they cannot put that in as part of their
11 schedule and allow us to go ahead and do our work.

12 MR. KEHOE: Mr. Young, could you respond
13 to that.

14 MR. YOUNG: I can only respond in the fact
15 that I know there is only so many contractors in
16 areas that do telephone and electric-type work, and
17 I just do not feel that they won't be taking a
18 contractor that isn't already scheduled to do some
19 other work for us or for another CLEC, and I can't
20 agree to that. I can't believe that's not going to
21 happen.

22 MR. KEHOE: Would you be able to detect if

1 it did happen?

2 MR. YOUNG: What was that?

3 MR. KEHOE: Say there were five
4 contractors who did this type of work in Richmond
5 and WorldCom selected Contractor A. Would you
6 expect--would Contractor A then postpone--is your
7 fear that Contractor A would postpone other work
8 already scheduled by Verizon?

9 MR. YOUNG: Yes, that's my fear.

10 MR. KEHOE: Wouldn't that be detectable?

11 MR. YOUNG: I'm not sure how it could be
12 detectable. There are all sorts of scenarios that
13 come up that could delay things going on with
14 make-ready work. I mean, there is power company
15 delays, there is permitting delays for, you know,
16 highway permits and all that stuff. The contractor
17 can say the weather has been hindering me getting
18 the work done.

19 There are so many factors and variables in
20 that that you can't--you can't just iron it down.
21 I'm not sure we could tell that. There's always
22 delays in projects for various reasons, some of

1 which I just named.

2 MR. KEHOE: I have no further questions.

3 MR. DYGERT: Any redirect from either
4 side?

5 MS. FAGLIONI: No redirect.


6 MS. KELLEY: None from WorldCom.

7 MR. DYGERT: All right. Thank you,
8 Mr. Young and Ms. Carson. We appreciate your time
9 today. And I think that's it for the rest of us.
10 We could go off the record now.

11 (Whereupon, at 4:36 p.m., the hearing was
12 adjourned until 9:30 a.m., Wednesday, October 17,
13 2001.)
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C E R T I F I C A T E

I, **DAVID A. KASDAN**, RMR, the Official Court Reporter for Miller Reporting Company, Inc., hereby certify that I recorded the foregoing proceedings; that the proceedings have been reduced to typewriting by me, or under my direction and that the foregoing transcript is a correct and accurate record of the proceedings to the best of my knowledge, ability and belief.



DAVID A. KASDAN, RMR